FBIS DAILY REPORT CONTENTS

Latin America

Vol VI No 134 *14 July 1981*

ARGENTINA

Chilean Commandos Pursue Extremists Across Border B 1
'Navigational' Error Cited B 1
Admiral Massera Punished With 10 Days of Arrest B 2
Negotiators on Beagle Status, Samore Statements B 2
[HERALD 12 Jul]
Peronists Willing To Talk With Government B 3
[HERALD 13 Jul]
Popular Line Movement Issues Policy Statement B 3
[CLARIN 21 Jun]

BOLIVIA

Garcia Meza Speaks on Regimental Anniversary C 1
Garcia Meza Hails National Reconstruction C 1
Junta To Discuss Garcia Meza's Presidential Tenure C 1
Spokesmen Comment on Exiled Military Officers C 2
New Commander Takes Over 2d Army Division C 2
Tita Oilfield Insurrectionists Leave Country C 3
FSB Leaders Freed C 3
Valverde Receives Exit Visa C 3
Valverde on Regime, Return C 3

BRAZIL

President Figueiredo To Undergo Minor Surgery D 1
[FOLHA DE SAO PAULO 7 Jul]
Foreign Minister Expected To Resume Duties 20 July D 1
[O GLOBO 8 Jul]
Foreign Minister Explains Denial of Visa to Cuban D 1
[O GLOBO 12 Jul]
Soybeans, Ores Leading 1981 Exports; Coffee Down D 1
[JORNAL DO BRASIL 9 Jul]
Police Seize Issue of Satirical Weekly PASQUIM D 2
Delegation To Attend Iraq's 17 July Feast D 2

CHILE

Pinochet Warns Against Foreign Doctrines E 1
Delegation to Papal Mediation To Leave for Geneva E 1
Official: Beagle Problem Past E 2
New Ambassador From Peru Makes Statement E 2
Commandos Kidnap, Murder Two Leftist Militants E 3
Rightist Group Claims Murders E 3

ECUADOR

Charges of Plot Against President Roldos Denied G 1
Cabinet Changes May Come Sooner Than Expected G 1

MEXICO

Political Parties Comment on Mini-Marshall Plan M 1
President Lopez Portillo Holds News Conference M 1
Public Expenditure To Be Cut M 1
Peso Will Not Be Devalued M 2
Recovery From Oil-Price Drop M 3
Government Makes Public Swedish Communique on Oil M 3
Foreign Secretary to France, Austria This Week M 3

CENTRAL AMERICA

BELIZE

Anglo-Guatemalan Negotiations Fail in New York P 1

COSTA RICA

Court Rules Against Central Bank, President P 1
President Clashes With Congress Over Economy P 2
Deputies Question Minister on Terrorism, Police P 2

EL SALVADOR

FDR Member Pichinte Urges Overthrow of Regime P 3
[Radio Venceremos]
AFP Correspondent Reports Contraction of Economy P 6
Duarte Analysis of Economy Called 'Superficial' P 7

GUATEMALA

Military Uses Tanks in Capital City Clashes P 8
Leftwing Groups 'Controlled' P 8
Army Ready To Defend Country's Sovereignty P 9
Defense Minister on Leftist Charges, Candidacy P 9
[PRENSA LIBRE 2 Jul]

HONDURAS

Paper Reports 'Armed Clash' With Nicaragua P 10
Authorities Discover New Leftist Guerrilla Group P 11
Amnesty Delegation Criticizes Regime on Rights P 11
Authorities Arrest Jesuit Students at Airport P 11
Jesuit Students Released P 12
Attorney General Fines Texaco for Violation P 13

NICARAGUA

Moderator Says No Concurrences at 11 July Forum P 13
Two Cooperation Agreements Signed With USSR P 13
Labor Official Hails CST's Affiliation With WFTU P 14
COSEP Defense of Frank Bendana Criticized P 14
Sugar Mill Workers Report Company Depletion P 15
Briefs: Ambassador Approved; Student Union Goals P 15

CHILEAN COMMANDOS PURSUE EXTREMISTS ACROSS BORDER

PY140004 Buenos Aires TELAM in Spanish 1912 12 Jul 81

[Text] Neuquen, 12 Jul (TELAM)--Two Chilean helicopters and a commando group made up of 37 men has conducted an antiguerrilla operation inside Argentine territory in the area of Epaulaufquen thermal waters. The operation started in Chile. According to unofficial reports, the Chileans did this with the approval of Argentine authorities.

The activities of the Chilean military force caused the intervention of five Argentine border policemen who were carrying out routine surveillance tasks along the border and who did not know that the Chileans had received permission from Argentine authorities.

The national border police patrol saw two armed Puma helicopters, left the Carirrene post for the area where the crafts had landed, and arrived there only 20 minutes after the landing.

It has been established that the Chilean commando did not offer resistance because they were operating on instructions from their superiors and had the permission of the Argentine authorities.

The Chilean commando was detained for some time and everything was resolved satisfactorily after the five border policemen checked out the permission.

This event apparently took place on last Monday or Tuesday when the Chilean Government discovered several abandoned camps in southern Chile where guerrilla groups seem to have been receiving military training. [Buenos Aires NOTICIAS ARGENTINAS in Spanish at 2220 GMT on 13 July carries a report datelined Santiago, Chile that the Chilean foreign minister has categorically denied that Chilean military personnel had crossed the border into Argentina, following a group of extremists]

'Navigational' Error Cited

PY140114 Buenos Aires TELAM in Spanish 2340 GMT 13 Jul 81

[Text] Buenos Aires, 13 Jul (TELAM)--Foreign Ministry spokesman Federico Erhart del Camp has stated that the unintentional presence of Chilean personnel on Argentine territory was caused by a navigational error.

This report was prompted by another one received from Neuquen on 12 July according to which two Chilean helicopters carrying a 37-man strong military commando had landed in Argentine territory to continue an antiguerrilla operation.

The Foreign Ministry spokesman indicated that because of a navigational error of the pilots who were carrying the commando, the soldiers had landed in Argentine territory. In view of this, Argentine border police personnel from the Carirrine post intervened in the matter and confirmed that an error had taken place.

The Foreign Ministry spokesman added that the detachment of carabineros [as received] was returned to their country through the Carirrine checkpoint at 1315 on 7 July.

Erhard del Campo made it very clear that the unintentional presence of Chilean personnel on Argentine territory was caused exclusively by the above-mentioned circumstances.

ADMIRAL MASSERA PUNISHED WITH 10 DAYS OF ARREST

PY140030 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0020 GMT 14 Jul 81

[Text] Buenos Aires, 13 Jul (NA)--Sources close to former Navy Commander in Chief Adm (ret) Emilio Massera tonight reported that the current navy commander in chief, Adm Armando Lambruschini, has punished Massera with 10 days of arrest.

The sources indicated that Massera will serve his arrest at the Azopardo Naval Base near the city of Azul, Buenos Aires Province, 302 km southwest of Buenos Aires.

NEGOTIATORS ON BEAGLE STATUS, SAMORE STATEMENTS

PY122250 Buenos Aires HERALD in English 12 Jul 81 p 13

[Text] Argentina's special Ambassador Guillermo Moncayo, who heads the mission to the Vatican in papal mediation proceedings on the Beagle Channel border conflict between this country and Chile admitted yesterday that the major issue in mediation talks is not to"discern the validity or invalidity" of a former World Court arbitration decision on the disagreement.

Moncayo's statement came in answer to questions concerning a quote from Chilean Under-secretary for Foreign Relations Ernesto Videla in which the Chilean official indicated that rights over the Beagle Channel was a "past issue" and that the mediation proceedings at the Vatican now concerned "the southern zone" where Chilean and Argentine territories intermingle.

Of Videla's statements, Moncayo said that they "naturally, take the situation back to a period before the Puerto Montt agreement and, naturally, the (papal) mediation".

The Argentine diplomat made his statements to newsmen who were waiting for him at Ezeiza International Airport where he arrived early yesterday from Rome in the company of Argentina's alternate delegate in the mediation talks, Ricardo Etcheverry Boneo, who said that "the main themes are back on the table for discussion" in the papal mediation proceedings aimed at finding a peaceful solution to the border dispute which has twice brought Argentina and Chile dangerously close to war.

August is the traditional holiday month in Italy, but Etcheverry Boneo indicated that he did not think the Beagle negotiations would halt next month, since "there will always be, on the part of the Vatican and the Argentine delegation, the personnel necessary to keep advancing (in the mediation)" and he added that there "have already been enough interruptions" in the talks.

Speaking of the publication in the Buenos Aires daily, LA PRENSA, of a secret transcript of an alleged conversation between Argentine diplomat Federico Mirre and the pope's representative in the mediation attempt, Cardinal Antonio Samore, in which Samore's alleged statements cast doubt on his fairness with regard to Argentina, Etcheverry Boneo gave his personal opinion that the incident was "very important."

But he added that he felt, personally, that the whole issue of the alleged Mirre-Samore conversation was "totally out of proportion" and that it "does not respond to the reality of the mediation process."

Both Moncayo and Etcheverry Boneo qualified as as "positive" recent progress in the mediation proceedings.

While differences between Argentina and Chile over a World Court decision concerning rights to the Beagle Channel is, Moncayo indicated part of topics for discussions agreed upon in the Puerto Montt accord between the two countries, the Argentine diplomat admitted that the actual point of the papal mediation was not to discover "the validity or invalidity" of the World Court decision, but to find a just delineation of jurisdictions in the entire southern zone.

PERONISTS WILLING TO TALK WITH GOVERNMENT

PY132130 Buenos Aires HERALD in English 13 Jul 81 p 9

[Text] Reconquista, Santa Fe (NA)--The Peronists would probably hold talks with the military government if the latter invited them to do so, according to Deolindo Bittel, Justicialist Party vice president. Bittel said yesterday that former President Maria Estela Martinez de Peron's release last week removed "another of the reasons which made us refuse to go to the dialogue," although, he added, any final decisions regarding that matter would have to be taken by the National Council of Justicialism.

The Peronist leader was talking in this city, 450 kilometers north of the capital of Santa Fe, where he gave a lecture yesterday on "reality and the national project."

Bittel told the press that he "fully" shared Mrs Peron's decision after her release to refrain from seeing any party leaders. The politician thought yesterday that Mrs Peron had "acted wisely," since through her attitude "she didn't want to give any privileges to some sectors as opposed to others, who also believe they have legitimate rights." Bittel commented that "every single Peronist would have wanted to see the lady (Mrs Peron), and this is physically impossible." He repeated that hers had been an "intelligent" attitude, and also praised statements made by the former president in Madrid, Spain, where she said she would not be making any political statements outside her country.

POPULAR LINE MOVEMENT ISSUES POLICY STATEMENT

PY131345 Buenos Aires CLARIN in Spanish 21 Jun 81 p 6

[Text] "A political party should not be considered as a launching platform toward positions in public administration. Its leaders should not ask for jobs as if they were ready to abandon their party. Politics is far from being a struggle for power at any cost. Nor is it a struggle to gain plush jobs."

These and other remarks are included in a statement signed by Popular Line Movement supporters Horacio Domingorena, Alberto Borella, Ramon Asmar, Ricardo Grubert, Enrique Rojo, Alberto Garibaldo, Carlos Rabassi, Juan Carlos Abente, Fernando Rodriguez and Abelardo Martinez, during a meeting held in this capital. A national promotion board was appointed at this meeting, which was attended by delegations from eight provinces.

Guillermo Acuna Anzorena's authority was not recognized and the reorganization of the party founded by former Governor and Legislator Carlos Sylvestre Begnis was proposed.

The statement was released yesterday and it points out that "we are emerging on the Argentine political scene with an ethical conception of politics, nourished by the popular roots of Yrigoyenism, which updates the concept of national development as a modern solution to the country's structural problems."

When referring to President Viola's recent speech, the statement adds that "we do not speculate with the process' failure; on the contrary, our aspiration is that its purposes be fulfilled so that the country may finally live under the constitution."

GARCIA MEZA SPEAKS ON REGIMENTAL ANNIVERSARY

PY130319 Buenos Aires TELAM in Spanish 1623 GMT 11 Jul 81

[Text] La Paz, 11 Jul (TELAM)--The armed forces of the nation will not retreat before anything, no matter how great the risks, no matter what effort is demanded by us, the president of the republic, Gen Luis Garcia Meza, affirmed in a speech on the occasion of the anniversary of the Max Toledo Regiment. The regiment is located in the neighboring town of Viacha, 25 kilometers east of La Paz.

Leftists and rightists, in a curious symbiosis, are today the enemy against whom we fight... again the country demands heros...among whom we ought to be in the vanguard and there we have been for a year...it is now that the example of Max Toledo would serve us, Garcia Meza maintained. He said this in the affirming that the Bolivian Armed Forces will fight at the side of the people until all enemies, internal and external, are defeated once and for all.

GARCIA MEZA HAILS NATIONAL RECONSTRUCTION

PY132104 Buenos Aires TELAM in Spanish 1650 GMT 13 Jul 81

[Text] La Paz, 13 Jul (TELAM)--Bolivian President Luis Garcia Meza has stated that the process of national reconstruction, launched on 17 July 1980, has the historical mandate to resume the course of nationalism set through heroism, sorrow and patriotism.

In a speech designed to honor the people of Camiri, 1,200 km east of La Paz, in Santa Cruz Department, on the occasion of the 46th anniversary of this town, Garcia Meza said that Camiri had been the source of a new historical cycle in the life of the nation which helped to strengthen sovereignty and self-determination, thus launching a political period which had been later betrayed by the caudillos.

Garcia Meza recalled that the nationalization of oil, the withdrawal of concessions which had been granted to Standard Oil, the control of repatriation of foreign currency by large mining enterprises, the creation of the Labor Ministry and the Mining Bank and the implementation of the first socially minded laws, had all been revolutionary achievements prepared and implemented by the armed forces.

Garcia Meza stressed that every member of the armed institution--from the highest-ranking officer to the humble but proud private--will never forsake this heritage received from their predecessors and will oppose, with renewed decisiveness and energy, the onslaught of the opportunists who are seeking to divide the nation.

JUNTA TO DISCUSS GARCIA MEZA'S PRESIDENTIAL TENURE

PY140250 Buenos Aires TELAM in Spanish 2225 GMT 13 Jul 81

[Text] La Paz, 13 Jul (TELAM)--The Bolivian Army commander in chief, Gen Celso Torrelio Villa, today said that the junta of commanders in chief this week will analyze President Luis Garcia Meza's latest decision to stay on as head of government after 6 August.

General Torrelio Villa made this statement in Sanga Cruz, 500 km [as received] southeast of La Paz, to journalists of the daily EL MUNDO after a 3 and 1/2-hour meeting with commanders of the three armed forces branches who make up the military government junta, because the current regime complies with the guidelines of the armed forces.

Torrelio Villa, who today returned from a lengthy rural tour begun last Monday, said that he will soon announce the time and date of the meeting of the military junta to discuss Garcia Meza's stay as president of the nation.

According to military sources, Garcia Meza's decision was broadly discussed recently by the commanders of all armed forces units.

Last Friday a rally held in La Paz by over 7,000 persons called upon Gen Garcia Meza to remain in power after 6 August.

On 26 May Garcia Meza said that he would leave the Presidency on 6 August, turning over power to whomever the armed forces chose on 17 July. However, on Friday, 10 July, Garcia Meza told the cheering crowd that he was planning to stay "because the people are asking me to."

SPOKESMEN COMMENT ON EXILED MILITARY OFFICERS

PY131352 Buenos Aires TELAM in Spanish 0049 GMT 12 Jul 81

[Text] La Paz, 11 Jul (TELAM)--Spokesmen close to the government of Gen Luis Garcia Meza denied on Saturday afternoon the reports published in the foreign press to the effect that Generals Humberto Cayoja and Luis Anez, who are in exile in Argentina, have certain documents that could embarrass the current regime.

The spokesmen, who were consulted by TELAM over the telephone, said that the report was not true. They also denied the comments, also published in the foreign press, by persons close to the exiled military officers to the effect that they had not made any statements because they have a strategy to follow.

The spokesmen stated that neither Cayoja, Ramallo, Anez, Cejas nor any of those who have recently been exiled have made any statements for the simple reason that they are exiles, which obliges them to remain silent.

"If they did make statements," the spokesmen explained, "The Argentine Government would be facing an important problem and it would have to order them out of its territory."

The conditions for exile, it was explained, demand that a person who is an exile outside of his country must abstain from participating in political activities pertaining to his country and cannot travel within the host country without the express authorization of its authorities.

The spokesmen said that the four leaders of the frustrated 27 June military uprising are residing in a rented apartment located on Sarmiento St, Buenos Aires.

NEW COMMANDER TAKES OVER 2D ARMY DIVISION

PY132222 Buenos Aires TELAM in Spanish 1455 GMT 9 Jul 81

[Text] La Paz, 9 Jul (TELAM)--Col Angel Mariscal Gomez today took over as commander of the 2d Army Division headquartered in Oruro, 200 km east of La Paz. Colonel Gomez replaces Gen Rafael Tapia Montano.

The ceremony was presided over by the army inspector general, Gen Antonio Obando Rojas, who said that the replacement of the division commander was mere routine on orders from above.

"This appointment is no surprise; these are merely routine steps which are being implemented according to plans laid some time ago," he stressed. General Obando Rojas concluded by saying that army's tasks are being developed in a normal and disciplined manner.

TITA OILFIELD INSURRECTIONISTS LEAVE COUNTRY

FSB Leaders Freed

PY111720 Paris AFP in English 0543 GMT 10 Jul 81

[Excerpt] La Paz, 9 Jul (AFP)--Four of the five leaders of the Bolivian Socialist Falange (FSB) who on 4 May attacked the Tita oilfield--which is being exploited by a U.S. firm--have been freed, the La Paz afternoon newspaper ULTIMA HORA reported today.

The leader of the operation and a former candidate for the Presidency, Carlos Valverde Barbery, escaped last Tuesday while being transferred to a private clinic and sought asylum in the Colombian Embassy.

The freed Falangists are Sergio Glores Landivar, German Antelo Hurtado, Jose Nunez Klinsky and Julio Cesar Costas. On his part, Valverde Barbery will travel to Colombia tomorrow, according to his family.

Valverde Receives Exit Visa

PY101834 Buenos Aires TELAM in Spanish 1620 GMT 10 Jul 81

[Excerpts] La Paz, 10 Jul (TELAM)--The leader of the Bolivian Socialist Falange [FSB] who had sought asylum at the Colombian Embassy in La Paz, has received the visa to leave for Colombia within the next few hours.

Valverde Barbery sought diplomatic asylum last Tuesday after escaping from the car in which he was being taken from the place of his arrest to a private clinic in the San Miguel zone of this capital. Valverde Barbery will leave for Colombia at noon today at (1230 local time) 1630 GMT, on the regular Avianca La Paz-Bogota flight with a technical stop in Lima, Peru.

Valverde on Regime, Return

PY131451 Paris AFP in Spanish 2056 GMT 12 Jul 81

[Text] Lima, 12 Jul (AFP)--Bolivia has become one large concentration camp and it is occupied by its own armed forces, Carlos Valverde stated today on his way through Lima. Valverde was on his way to Colombia as an exile. He had sought refuge in the Colombian Embassy in La Paz 3 days ago after having escaped while under arrest.

Valverde, who is a leader of the Bolivian Socialist Falange [FSB], said that there is no type of ongoing productive activity in his country, the unions are disbanded, the situation is chaotic and all the political leaders are abroad and unconcerned about what is happening.

He asserted that Bolivia cannot support another dictatorship and announced his decision to return to the country within approximately 25 days with a group of exiled Bolvians, although he did not give a detailed explanation about this.

He harshly criticized the current regime headed by Gen Luis Garcia Meza and his decision to remain in power which he had promised to hand over on 17 July, after 5,000 supporting government workers asked him to do so 2 days ago.

Valverde denied government accusations that imply that the FSB had intended to blow up the Tita agricultural and industrial complex 1 year ago, indicating that they only wanted to occupy it because of its strategic nature after Garcia Meza's coup. Valverde was in prison for 2 months accused of terrorist actions. He was able to escape 3 days ago when he sought refuge in the Colombian Embassy in La Paz, which granted him political asylum.

PRESIDENT FIGUEIREDO TO UNDERGO MINOR SURGERY

PY131541 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Jul 81 p 6

[Excerpts] President Joao Figueiredo will be hospitalized in the Marcilio Dias Navy Hospital--which was recently inaugurated in Rio de Janeiro--on 16 July. He will undergo surgery on two lower eyelids, possibly including corrective plastic surgery, on 17 July. The surgery is intended to unclog the two tearducts.

Planalto Palace released a note yesterday on the neuritis affecting President Figueiredo's left leg, which is impairing his ability to walk. Neurosurgeon Paulo Niemeyer and neurologist Fernando Pompeu examined President Figueiredo at the Torto farm the day before yesterday. The two physicians confirmed the early diagnosis of "crural neuritis due to a traumatic distension of the nerve." The note also says that "therapy and physiotherapy continues, and relative rest is recommended to shorten his recovery period.

FOREIGN MINISTER EXPECTED TO RESUME DUTIES 20 JULY

PY131533 Rio de Janeiro O GLOBO in Portuguese 8 Jul 81 p 6

[Excerpt] Foreign Minister Saraiva Guerreiro is expected to be discharged from the Sao Jose clinic this weekend. He submitted to prostate gland surgery at this clinic on Thursday 2 July, and is expected to resume duties on 20 July. Itamaraty spokesman Bernardo Pericas has reported that Minister Saraiva Guerreiro is recovering normally from surgery and that he has received Secretary General Baena Soares to discuss office matters. The secretary general is the acting foreign minister.

FOREIGN MINISTER EXPLAINS DENIAL OF VISA TO CUBAN

PY131458 Rio de Janeiro O GLOBO in Portuguese 12 Jul 81 p 5

[Excerpt] Replying to a message sent to him by Jose Goldenberg, president of the Brazilian Society for the Progress of Science [SBPC], Foreign Minister Saraiva Guerreiro sent a telegram yesterday explaining why Itamaraty had denied a visa to Cuban anthropologist Rafael Lopez Valdez to attend the 33rd annual meeting of the SBPC.

The telegram says that "regarding the granting of visas, the Brazilian Government abides by clear and strict rules in the light of the national interest."

It adds that "the entry of foreigners to participate in nongovernmental congresses or conferences, as in the present case, is examined in the light of those rules, and the Brazilian Government reserves the right not to grant visas to citizens of countries with which Brazil maintains no diplomatic relations."

The minister's telegram concludes that "in the case of intergovernmental conferences or meetings promoted by international organizations of which Brazil is a member, the Brazilian Government has granted visas to representatives of all participating countries, even those with which Brazil maintains no diplomatic relations, granting them all facilities and privileges provided for under international law."

SOYBEANS, ORES LEADING 1981 EXPORTS; COFFEE DOWN

PY140017 Rio de Janeiro JORNAL DO BRASIL in Portuguese 9 Jul 81 p 15

[Text] Over the first 5 months of this year coffee has dropped to third place in the list of Brazilian exports with revenues of $753, 474,000, down from $1.3 billion over same period last year.

According to Bank of Brazil's Foreign Trade Department (CACEX), soybeans and mineral ores have moved up to first and second place in that order, with sales of $816,261,000 ($500 million in 1980) and $757,789,000, respectively.

This change is mainly due to the 39.1-percent decline in the coffee price during identical 1980 and 1981 periods, while the soybean price picked up by 29.77 percent. January-May green coffee bean exports amounted to 337,967 tons against 281,602 in 1980; soybean exports went up from 2,494,000 tons to 3,137,000 tons; mineral ore exports climbed from 28,962,000 tons to 34,703,000 tons.

Among the first 10 basic exports products following coffee, cacao has registered the largest price decline (30.83 percent). Sales of cacao amounted to $57,148,000 during the first 5 months of this year against $70,219,000 in 1980.

Soybean oil is at the top of both manufactured and semimanufactured exports goods, with sales amounting to $251 million despite a 5.83-percent price drop. Of the first 10 semimanufactured exports goods, only the prices of wood pulp, unrefined peanut oil and refined sugar had increased in the international market; by 2.76 percent, 48.1 percent and 14.57 percent, respectively. The prices of the other seven products fell.

Manufactured export products have changed positions: Transport equipment leads the list with $714,377,000 in sales ($489,973,000 in first 5 months of 1980); then comes the category made up of boilers, machinery, mechanical instruments and apparatus; down from first place last year despite the fact that first-5-month sales jumped from $496,732,000 to $585 million. Processed beef and processed coffee have registered price drops of 30.24 percent and 29.45 percent, respectively.

POLICE SEIZE ISSUE OF SATIRICAL WEEKLY PASQUIM

PY111541 Paris AFP in Spanish 1555 GMT 10 Jul 81

[Excerpts] Rio de Janeiro, 10 Jul (AFP)--Cartoonist Ziraldo Alves Pinto, one of the editors of the satirical weekly PASQUIM, confirmed here today that the latest issue of PASQUIM, No 628, had been seized by federal police agents.

Alves Pinto stated that he is ignorant of the reasons for the seizure of the satirical weekly, the only one of its kind in the country, but he feels that the reasons might be the treatment given by PASQUIM to the investigations carried out by the I Corps on the bomb explosions which took place on 30 April in the Rio de Janeiro Convention Center.

Alves Pinto indicated that the seizure of PASQUIM has cost the PASQUIM editing company $20,800.

DELEGATION TO ATTEND IRAQ'S 17 JUL FEAST

PY090350 Brasilia Domestic Service in Portuguese 2200 GMT 8 Jul 81

[Text] The president of the republic has designated Interior Minister Mario Andreazza as head of the Brazilian delegation to the celebrations to be held in Baghdad from 14 to 20 July on the occasion of the 13th anniversary of the 17 July revolution. The delegation will be made up of Gen Samuel Alves Correa, the Brazilian ambassador to Iraq; and Marcos de Azambuja, chief of the Itamaraty bureau for Asia, Africa and Oceania.

PINOCHET WARNS AGAINST FOREIGN DOCTRINES

PY131728 Paris AFP in Spanish 1046 GMT 11 Jul 81

[Text] Santiago, 11 Jul (AFP)--Chilean President Gen Augusto Pinochet reasserted here on Friday that socialism is his government's main enemy, and that since he took the office in 1973 he has striven to return the right of decision to Chileans.

The president was then main speaker at the Youth Day celebration held at the Diego Portales Building that approximately 3,000 young people attended. General Pinochet decorated 77 persons.

The president said that, as a Chilean citizen, it was his moral duty to warn them against the dreams used to draw supporters for a doctrine which is entirely foreign to the Chilean character and traditions, appearing as a paradise in theory and always turning into a hell in practice.

He urged the young people to distrust this doctrine which, while claiming to be a defender of freedom and democracy, nevertheless leads to tyranny and slavery.

General Pinochet added that this doctrine promises social class abolishment and equality which, however, gives rise to new classes made up of leaders who oppress the people. "This doctrine advocates respect for human rights in other nations, but, not withstanding, tramples them within its own sphere," Pinochet added.

It was reported that during the ceremony the president awarded the Luis Cruz Martinez decoration to 77 outstanding young people.

DELEGATION TO PAPAL MEDIATION TO LEAVE FOR GENEVA

PY101933 Paris AFP in Spanish 0339 GMT 10 Jul 81

[Excerpts] Santiago, Chile, 9 Jul (AFP)--The Chilean delegation to the papal mediation of the Beagle Channel conflict with Argentina will leave on Saturday for Geneva to make a profound analysis of the current state of negotiations, it was reported here today.

Col Ernesto Videla, Foreign Ministry under secretary and head of the delegation, stated that there are legal records and documents of the mediation in Geneva, and that it would be convenient to have them at hand to use them at any moment.

The delegation which will leave on Saturday for Geneva is also made up of lawyers Julio Philipi, Francisco Orrego Vicuna, Helmut Brunner, Patricio Prieto and Osvaldo Munoz. In Geneva, permanent ambassador to the mediation Enrique Bernstein and alternate ambassador to the negotiations Santiago Benadava will join the group.

Asked whether foreign experts will participate in this meeting, Videla stated that Chilean lawyers abroad are always consulted; French Professor Prosper Weil and British Professor Ian Brownlie are the government's legal advisers.

Videla also said that the problem of historical, legal and political studies are proper elements for negotiation. Nevertheless, he stated, now we are doing something more positive: studying the pope's proposal.

Official: Beagle Problem Past

PY111503 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1950 GMT 10 Jul 81

[Text] Buenos Aires, 10 Jul (NA)--Col Ernesto Videla, the Chilean under secretary of foreign relations, said here today that the Beagle Channel problem "is a problem of the past" for his country because "there is a British arbitration award of 2 May 1977."

"For us, this is definitely a solved problem," emphasized Videla. He went on to explain that the pope's mediation concerns the southern area.

The Chilean under secretary of foreign relations arrived here this afternoon on a 24-hour stop on his way to Geneva, where he will meet with members of the Chilean delegation and advisers who are participating in the Vatican negotiations.

During his brief stay in Buenos Aires, Videla will meet with members of the Chilean Embassy to discuss administrative matters of that embassy.

The Chilean foreign relations under secretary said that all the documents regarding the Beagle Channel are in Geneva where there is an office that "permits us to work very well." Videla emphasized that "any meeting on the Beagle Channel is important during the mediation and we are ready to go to Rome." Asked if there are possibilities for new tripartite meetings with the pope's representative, he said that this question should be asked of the Argentine delegation.

Regarding the publication in Buenos Aires about a conversation between Argentine diplomat Federico Mirre and Cardinal Antonio Samore, the pope's delegate in the mediation, Videla said that "I learned of it only in the press" and that this "does not concern the Chilean Foreign Ministry, which uses official sources." He added: "We believe that it is absolutely necessary to maintain a proper environment. The parties must have confidence in their respective representatives, who have done all their work in Rome." Videla said that "what the communications media should do is to create a favorable and proper environment for these delicate negotiations to develop."

NEW AMBASSADOR FROM PERU MAKES STATEMENT

PY111411 Santiago Chile Domestic Service in Spanish 1100 GMT 11 Jul 81

[Text] Peru and Chile must forget their past disagreements on beginning a new stage in their relations, stated the new Peruvian ambassador to Chile, Jose Luis Bustamante y Riveros. His arrival in Santiago, Chile marks the full normalization of diplomatic relations between the two countries at ambassador level.

Bustamante y Riveros expressed satisfaction at being back in the Chilean capital, because he remembered that between 1967 and 1971 he headed the ILO office in Santiago, Chile. He said that we must not think of the past but of the many common points existing between Chile and Peru. He added that we must think about all the aspects of our relations and we must hold dialogues to tighten even more the traditional friendly ties which unite our two countries.

He said that he is inexperienced in diplomatic affairs, but added: I am a person with the disposition to seek rapprochement between our peoples, and our peoples must begin this new period with a good spirit of cooperation, friendship, frankness, and mutual respect.

The new Peruvian ambassador arrived in Santiago with his wife and six of his seven children. Bustamante y Riveros is the son of a former Peruvian president and his diplomatic career includes several international organizations. He will present copies of his credentials to Foreign Minister Rene Rojas Galdames on Monday at noon.

COMMANDOS KIDNAP, MURDER TWO LEFTIST MILITANTS

PY101657 Paris AFP in Spanish 0241 GMT 10 Jul 81

[Text] Santiago, Chile, 9 Jul (AFP)--Judicial sources reported here today that unidentified commandos murdered two leftist militants during the past few hours in Santiago, Chile.

The stabbed body of painter Hugo Riveros Gomez was recognized at the Legal Medical Institute in Santiago by his wife, who the day before reported that he had been kidnapped; while a second commando machinegunned from an automobile Oscar Polanco Valenzuela, administrative officer of a steel industry.

According to the sources, both Riveros and Polanco had been facing trial for violations of domestic security norms and of belonging to proscribed Marxist political organizations.

Painter Riveros, 29 years old, was taken from his house by four unidentified men and hours later he was found dead in the mountain region east of this capital, his wife Miriam Silva Perez reported.

The artist has been under conditional freedom since March 1981, facing trial for violating Decree Law No 77, which forbids political activities.

Polanco, however, has had a detention order pending in a military court, for his alleged activity within the proscribed Movement of the Revolutionary Left (MIR).

These two murder cases follow the attack which took place on Monday, when government agent Carlos Tapia Barraza was bullet riddled and died. He was a member of the secret National Intelligence Center (CNI). The CNI attack has been claimed by the Charles Ramirez Commando, which belongs to the clandestine leftist Militia of Popular Resistance.

Rightist Group Claims Murders

PY111511 Paris AFP in Spanish 0356 GMT 11 Jul 81

[Excerpts] Santiago, Chile, 10 Jul (AFP)--The self-styled Commando of Avengers of Humberto Tapia Barraza [Comando de Vengadores de Humberto Tapia Barraza] is reportedly responsible for the murder of two leftists in two locations in Santiago, according to what was learned today.

Anonymous telephone calls to different communications media indicated that the killers were members of the Commando of Avengers of Humberto Tapia Barraza, so named in memory of the member of the secret National Intelligence Center (CNI) who was machinegunned in Santiago on Monday.

That attack, in turn, was an act of revenge by the Charles Ramirez Commando, which belongs to the clandestine leftist [words indistinct] Militia of Popular Resistance.

CHARGES OF PLOT AGAINST PRESIDENT ROLDOS DENIED

PA082330 Quito Voz de los Andes in Spanish 1230 GMT 8 Jul 81

[Text] The secretary of the National Secretariat of Public Information [SENDIP], Augusto Alvarado Garcia, has emphatically denied the existence of a report at the Presidency revealing the implication of two ranking government officials in a plot against former President Jaime Roldos.

Abdala Bucaram Ortiz, former intendant of Guayas and a member of the People, Change and Democracy Movement, mentioned the existence of such a document over a Guayaquil radio station last Friday.

The secretary of SENDIP also said that Bucaram's statement was impertinent and foolish and did not deserve comment. Therefore, he said, the cabinet members who met yesterday did not discuss this subject.

CABINET CHANGES MAY COME SOONER THAN EXPECTED

PA121539 Quito Voz de los Andes in Spanish 1230 GMT 12 Jul 81

[Text] The cabinet crisis announced for early August could come earlier since some ministers have insisted on implementing the resignations they turned in to President Osvaldo Hurtado following the death of President Jaime Roldos.

The resignations of the following officials have been reported in the past few days: Aquiles Rigail, minister of labor; Miguel Coello, minister of public health; and Augusto Alvarado, national secretary of public information.

Regarding the report that the minister of labor had resigned, Minister of Government Carlos Feraud revealed that Rigail had indeed turned in his resignation in order to leave the president free to choose his new cabinet.

Feraud recalled that in the wake of the tragic death of President Jaime Roldos: "We ministers all turned in our resignations to President Hurtado." However, he added: "We have remained at the express request of the president, but he will probably reconsider our resignations in August, although we don't know exactly when; so he can have a completely free hand to pick his aides."

Concluding, Feraud affirmed that if President Hurtado believes he should remain as head of the Ministry of Government, he would probably do so for some time.

Meanwhile, it was reported from Guayaquil that Health Minister Miguel Coello confirmed in that city that he had turned in his resignation to give the president full freedom to choose his close aides in the cabinet. Coello revealed that his work in the Ministry of Public Health had been strictly of a scientific and technical nature, ruling out all political actions and activities.

Meanwhile, Augusto Alvarado, head of the National Public Information Secretariat [SENDIP], announced a few days ago that he had resigned in order to leave President Hurtado at liberty to choose his aide. However, he stressed, in mutual agreement with the president, that he will work until the end of this month; adding that he will continue to collaborate with the president in another post which until this time had not been established.

In short, President Hurtado must make some sort of pronouncement about these resignations, indicating whether he accepts them or asks the incumbents to remain in their positions until the end of this month, as was the case with the secretary of SENDIP.

POLITICAL PARTIES COMMENT ON MINI-MARSHALL PLAN

FL132229 Mexico City NOTIMEX in Spanish 2135 GMT 13 Jul 81

[By Amado Espitia]

[Text] Mexico City, 13 Jul (NOTIMEX)--While the Popular Socialist Party (PPS)and the Mexican Communist Party (PCM) came out in favor of Mexico withdrawing from the mini-Marshall Plan, saying that Mexico should not serve the United States in its actions in Central America and the Caribbean, the National Action Party (PAN) said the talks should be pursued to arrive at a conciliation of interests.

PPS Deputy Ezequiel Rodriguez Arcos said that Mexico should not have accepted participation as a cosponsor of the plan to aid Central America and the Caribbean. However, he said, Mexico effectively blocked the U.S. move by its stance. He said that if Mexico's conditions are not accepted, it should withdraw from the mini-plan. He pointed to the anticommunist campaign the United States tried to impose over all of Western Europe with its Marshall Plan.

On his part, Communist Deputy Carlos Sanchez Cardenas insisted that Mexico must withdraw, especially because nothing came out of the Nassau meeting. He said that the fact that it was stated at the meeting that assistance to these countries is given without military considerations does not mean that there will not be military intervention at a given moement.

Meanwhile, PAN's Carlos Amaya said that talks between the United States and Mexico should be pursued to the very end even though he admitted that the two countries would not come to any agreement because they represented opposing lines of thought. He asserted that more information is needed about the true intentions of the United States toward Central American and Caribbean countries inasmuch as so far there has only been speculation about these intentions and about the conditions set.

"On one hand, the neighboring country to the north is ready to help as long as the countries receiving assistance do not accept Marxist governments, which is logical," he said. "On the other hand, Mexico insists that the assistance given is not denied to countries with Marxist governments, that is, that assistance is not used as a means of political pressure; which is also logical." He concluded that those interests cannot be conciliated but that it was up to the Mexican Government to decide.

PRESIDENT LOPEZ PORTILLO HOLDS NEWS CONFERENCE

Public Expenditure To Be Cut

FL111549 Mexico City NOTIMEX in Spanish 0320 GMT 11 Jul 81

[Excerpts] On board the presidential plane, Mexico, 10 Jul (NOTIMEX)--President Jose Lopez Portillo has announced that the public expenditure budget will be adjusted by 4 percent. He said this is to face any contingency that might aggravate the inflation index and to be able to go on with global programs. The president explained that many will complain about the reduction, which will undoubtedly affect some programs, although there will also be those who claim that government spending is one of the factors of inflation.

He added that the main problem in Mexico is inflation along with an uneven trade balance, "but we are not cornered; we do have a great deal of room for maneuvering as long as we do not make childish mistakes."

The president said that the increase in the dollar's interest rates might have improved the U.S. economy but they hurt the rest of the world. But, he added, this is a situation that cannot go on much longer.

Speaking of excessive imports, the president said that some imports are unnecessary. He said that for example, in some residential areas of the capital the garbage that is collected looks very much like garbage collected in a U.S. city because of the packaging and name brands on items of daily consumption bought in the neighboring country such as milk containers, fruits, cans and even bread. In addition to Mexico's essential imports, it happens that because Mexico is one of the healthier markets of the world and is by buying at present, many countries are trying to sell us things that are of no use to us. On this subject, the president said that very severe decisions have been taken in regard to imports to cut off the excessive escape of currency while at the same time encouraging exports without incurring protectionism at all costs.

Peso Will Not Be Devalued

FL111445 Mexico City NOTIMEX in Spanish 0345 GMT 11 Jul 81

[By Enrique Alvarez Manilla]

[Text] On board the presidential plane, Mexico, 10 July (NOTIMEX)--Mexico is a country with a development program and model; it is solid and has the resources; its currency will not be devalued on the condition that the people do not confuse national interests with other interests and thus favor different economies such as that of the dollar. This was stated by President Lopez Portillo during a lengthy news conference on board the Boeing 727 on a Puerto Vallarta-Mexico City flight.

The president explained that the only way that our currency could be hurt would be by looking to other currencies and economies. An abrupt change of parity is not recommended and, therefore, the peso will keep floating and will fix its value according to demand. There are many businessmen who want a devaluation and technocrats recommend devaluation as a way for the country to recover its competitiveness and so that exports will rise and the international market is recovered.

Fortunately, he said, there is no reason to act drastically. We must prevent the people from making a mistake or being prey to psychological tension, which would be inopportune for a fearful, volatile and naive country such as ours.

Asking for support in this connection and for the economy itself, the president asked that rumors stemming from fear should not materialize because "if we all stand on the same side of the boat, the boat will sink and there would be problems if panic buying and speculation with the peso in order to earn a few cents start."

Lopez Portillo said that the border cannot be closed. It is a 3,000 km border of free exchange and that is why solidarity is requested, so that rumors do not play havoc with us as if we were naive and bewildered children.

Concerning trade relations with France, the president expressed satisfaction that the government of Francois Mitterrand had noted the importance of intensifying its ties with Mexico and had not allowed a company--through the newspapers--to break commitments without prior negotiations.

Recovery From Oil-Price Drop

PA111515 Paris AFP in Spanish 1039 GMT 11 Jul 81

[Excerpts] Mexico City, 11 Jul (AFP)--Mexican President Jose Lopez Portillo stated today that his country "has answers and will recover from the problem created by the drop in oil prices."

Lopez Portillo made this statement during a news conference he held aboard the presidential plane during his return from a working tour in Jalisco State. The president noted: "We saw the oil problem coming. Jorge Diaz Serrano (former Mexican Petroleum director) acted hastily in reducing the price of export oil. As president and head of the economic cabinet, I can't go to the Cancun meeting representing a country that has disregarded its principles."

President Lopez Portillo said that the oil problem is temporary and that Mexico's customers are beginning to accept the revaluation of Mexican oil. The president said Mexico has maintained its independence and will continue maintaining it. Mexico's voice is listened to and respected at international forums, he added.

GOVERNMENT MAKES PUBLIC SWEDISH COMMUNIQUE ON OIL

FL111625 Mexico City NOTIMEX in Spanish 0208 GMT 11 Jul 81

[Text] Mexico City, 10 Jul (NOTIMEX)--Sweden's private oil companies are interested in visiting Mexico and the state-owned Pemex to strengthen ties and improve trade relations. This was announced by the Swedish Government in a communique sent to the Secretariat of Patrimony and Industrial Development, which made it public today.

The communique indicates that "the Government of Sweden reiterates its firm commitment to further strengthening ties between Mexico and Sweden in a positive way in all areas, especially industry, energy and technology."

The above discredits what international news agencies reported to the effect that Sweden would stop buying crude oil from Pemex.

The Swedish Government stressed that it is closely following the situation concerning oil imports from Mexico and that "it fully acknowledges the importance of oil in the global relations between Mexico and Sweden." The communique is signed by Swedish Commerce Minister Mr Bjorn Molin. The Swedish Embassy in Mexico is keeping abreast of developments.

FOREIGN SECRETARY TO FRANCE, AUSTRIA THIS WEEK

FL131945 Mexico City NOTIMEX in Spanish 1934 GMT 13 Jul 81

[Text] Mexico City, 13 Jul (NOTIMEX)--Mexican Foreign Secretary Jorge Castaneda will leave for Paris on Thursday to discuss some of the more relevant aspects of French-Mexican relations. He will meet French Foreign Minister Claude Cheysson on 17 July. This was reported this morning at the Secretariat of Foreign Relations (Foreign Ministry).

It was added that Castaneda will also visit Vienna, Austria to hold talks with Chancellor Bruno Kreisky. The Mexican official will also meet with Austrian Foreign Minister Willibard Pahr, with whom he will discuss important matters concerning the foreign ministers' meeting to be held in Cancun, Mexico in August prior to the North-South summit to be held there in October.

BELIZE

ANGLO-GUATEMALAN NEGOTIATIONS FAIL IN NEW YORK

PA140324 Panama City ACAN in Spanish 0142 GMT 14 Jul 81

[Text] Belize, 13 Jul (ACAN-EFE)--The most recent effort to solve the Anglo-Guatemalan dispute over Belize was reported here today.

An official communique broadcast by Radio Belize says that Belizean Prime Minister George Price, Guatemalan Foreign Minister Rafael Castillo Valdez and the British minister of state for the Foreign Office, Nicholas Ridley, held talks in New York from 6 to 10 July.

"Unfortunately no agreements were reached," the communique adds. These talks had not been previously announced in Belize.

The communique says that they had discussed the means of establishing cooperation between Belize and Guatemala in the fields of agriculture, energy and technological development.

After the meeting of Belize, Guatemala and Great Britain, another communique was issued here. It dealt with a later meeting between Belize and the United Kingdom. This communique says that Belize and Great Britain had reviewed the existing situation in view of the failure of the parties to agree on a treaty.

The communique adds that talks will be held soon in London between Great Britain and Belize. The talks in London will analyze the program for Belize's independence according to the UN resolution of 1980 which says that Belize must obtain its independence before the end of 1981.

Prime Minister Price has scheduled a news conference tomorrow in Belmopan, capital of Belize. He is expected to announce the steps that Belize is taking to attain its independence.

It was unofficially said that the failure of this last round of talks was due to the dispute over the Ranguana and Zapotillo cays off the southern coast of Belize.

It had been agreed that Guatemala would have the use of these two cays as part of the concessions by Belize to obtain a nonaggression treaty with Guatemala. However, it was unofficially announced that Guatemala insists on its right to establish a naval base on the cays. This is not acceptable to the Belizean Government.

The situation regarding the two cays has become more acute since the Honduran Government has recently reasserted territorial claims over these islands.

COSTA RICA

COURT RULES AGAINST CENTRAL BANK, PRESIDENT

PA110042 San Jose Radio Reloj in Spanish 1730 GMT 10 Jul 81

[Station commentary]

[Text] The ruling of unconstitutionality issued by the supreme court yesterday [against provisions of the organic law of the Central Bank and executive branch decrees based on those provisions] is the worst blow that the Central Bank and the government have been dealt in the past 3 years of this administration. When a government in another country receives such a slap the least that it does is to resign. Nothing of the kind occurs in Costa Rica because our officials have lost all sense of shame.

We have repeatedly stated that the measures adopted by the Central Bank were illegal. This is now fully confirmed by the Judicial Branch which has imposed constitutional order.

The ruling of unconstitionality is truly important. The country can once again breathe. Legal order has been restored. There is confidence in the judicial power once again. We are certain that we have honest, upright judges capable of imparting justice above political and partisan interests.

What the Central Bank has done in Costa Rica is unprecedented. The least that should occur is the mass resignation of the Board of Directors of the Central Bank and the officials in charge of departments.

Through a retroactive law, the legislative assembly will undoubtedly devaluate currency and will establish the scope of the responsibility to avoid the collapse of the system. However, the assembly must not approve any devaluation law without first demanding the resignation of the directors of the nationalized bank system. This is a crisis caused by the lack of courage of men to face the decisions of the president of the republic who evidently has had the worst public administration in Costa Rica's history. The least that should occur is the removal of the Board of Directors of the Central Bank.

PRESIDENT CLASHES WITH CONGRESS OVER ECONOMY

PA131625 San Jose Radio Reloj in Spanish 1200 GMT 13 Jul 81

[Text] The government crisis is being discussed by the legislators. They support the president, but say that they support the country first. The president has had numerous clashes with the National Liberation Party and with his own Unity Coalition party deputies, first due to loan matters and then because of daily presidential criticism of the country's most important branch. The problem now is that while the government needs cooperation from everybody due to the dollar and colon crisis, most of the projects approved by the deputies are rejected by the president.

The assembly will discuss today the court decision to [word indistinct] the colon as well as the veto on increased interest rates for bonds of political debts [bonds to cover government subsidies of political parties]. This afternoon the general assembly will study the government's vetoes of the shoemakers' project and the plan to increase [interest on] political bonds to 19.5 percent.

The problem is that the congress itself must solve the monetary crisis, despite the strong opposition that the president is receiving from all deputies. Congressman (Romero Redondo) says that one doesn't know what to do with the entanglements of the government, although one has to think first of Costa Rica.

DEPUTIES QUESTION MINISTER ON TERRORISM, POLICE

PA081647 San Jose Reloj in Spanish 1200 GMT 8 Jul 81

[Excerpt] Arnulfo Carmona Benavides, minister of public security, appeared before the legislative assembly yesterday to explain the problem of terrorism in Costa Rica.

United People [PU] deputies questioned the minister and said that they oppose terrorism but then went on to attack the police for negligence.

Deputy Devandas Brenes said that there is a movement underway to discredit communism and that it is being carried out by the state organizations and the press.

The PU deputies told Carmona Benavides that real irregularities have existed in police behavior. The minister replied by saying that a legislative commission should investigate this because the truth is that many terrorists have been arrested for plotting.

According to Carmona Benavides, there are many documents that must be analyzed by the deputies themselves. He added that terrorism is nothing new in the country because the documents that have been found have revealed that the movement has been operating for 5 years. He said that he is frightened by the professional way in which the terrorist group has been working; for example, regarding the complete information that they had on top Costa Rican personalities that they were going to kidnap. The minister noted that the authorities have enough proof and testimony to convict the arrested terrorists.

EL SALVADOR

FDR MEMBER PICHINTE URGES OVERTHROW OF REGIME

PA131530 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 13 Jul 81

[Address by Jose Leoncio Pichinte, member of the Revolutionary Democratic Front executive committee: no date or place given--live or recorded]

[Text] Soldiers, noncommissioned officers, officers, gentlemen of the small and medium size industry of El Salvador, of the National Association of Private Enterprise, of the People's Democratic Union and of other sectors of the Salvadoran community, Salvadoran people: As a member of the Revolutionary Democratic Front, FDR, executive committee, I am addressing you and the officers who are not satisfied with the narrow-minded, superficial and demagogic explanation given by the fascist military high command regarding the country's situation.

We are convinced and we know that there are real patriots in the ranks of the national army and that there is a sector which is truly democratic, which has been proven throughout our history. During the 1972 electoral fraud, a group of young military officers appeared in the nation's political panorama to try to make effective the votes of the Salvadoran people. Afterwards and during the decade of the 70's, we always knew about the existence of progressive military officers. In October 1979, there was a military coup whose main support came from a large number of officers of good will, who sought through the first junta a political solution for the benefit of the people. This junta did not meet the will of these officers, because it was not appointed by the people nor by representatives of the country's democratic sectors, which did not participatein an organized and dynamic manner in the process. Nevertheless, the historic event was of great significance, because once again it showed that the armed forces have men who seek a way to identify themselves with the people.

On 10 January 1981, once again progressive military officers wrote one of the most glorious pages of their history when the 2d infantry brigade, stationed in Santa Ana under Captains Francisco Mena Sandoval and Mercelo Cruz Cruz, agreed to side with the struggle of the Salvadoran people. This was a popular rebellion of great magnitude. But what is important in the national army is the participation of many military personnel in the process to obtain the true democratic freedoms, peace and progress much awaited by the people. Several of them have assumed a praiseworthy attitude of honesty and courage by refusing to be accomplices of the genocidal policy of the fascist military high command, supported by the Christian Democratic Party.

As another clear example of this praiseworthy attitude of honesty, we have Col Adolfo Arnoldo Majano. Since that time, we can say that the progressive military personnel who have quit the national army ranks have shared experiences with the Farabundo Marti National Liberation Front, FMLN, and the FDR, both in the task of international solidarity and in the battlefronts. Such is the case of Captains Mena Sandoval and Cruz Cruz and Lt Col Bruno Navarrete. The reason for this understanding has been the deep belief on the part of patriotic military personnel of the need to overthrow the dictatorship and to have a democratic and revolutionary government, and the understanding that a new army must be formed in which all the progressive groups of the army and the revolutionary armed forces formed by the people from the beginning of their struggle can participate.

Officers and all sectors, I am addressing you because I know that you are men who hope to have peace and democracy and also to ask you to meditate over what is taking place in our fatherland. The oligarchy, the armed forces high command and the Christian Democratic junta, supported and advised by U.S. imperialism, after many attempts to break down the Revolutionary Democratic forces and failing to do it, are now facing an insurmountable political and military crisis. In the country they are totally isolated not only from the people, but from the small and medium-sized business sector which has its doubts regarding the junta's policy. Another situation which shows the depth of the political crisis the Christian Democratic junta is facing is the recent resignations of government officials and recently that of Benjamin Guzman, the cultural attache of the Salvadoran Embassy in Mexico.

In the international field it is more evident and conclusive each day who is responsible for a war which is bleeding our people. They are the ones who really refuse to present to the nations a frank and open position on what is happening in our country. The democratic countries of the world have thoroughly corroborated our determination to participate in a mediation process, but the junta, the oligarchy, the armed forces fascist military high command and the Reagan administration, refuse to [words indistinct] to a political understanding to solve the problem of the war. The junta is a government internationally isolated which is trying to take cover behind the policy of the reactionary President Ronald Reagan, who is promoting a warmongering policy at the international level, besides supporting the most ominous dictators of Latin America: Augusto Pinochet and Roberto Viola of Chile and Argentina.

In the military area, the armed forces, supported and led by U.S. imperialism, have launched general offensives on the war fronts of the FMLN, using all the power, mechanisms, resources and modern technical means they have at their disposal. The results are evident. They have been unable to destroy the revolutionary military forces and the national army has been physically and morally worn out. They have had many casualties and lost war materiel. The revolutionary forces have also had casualties. There is a great difference, though: the morale of the revolutionary forces grows every day, and their attacks are more general and effective. The situation in the cities, where military activities had decreased, is returning to previous levels of operation. The military capacity of the revolutionary commanders is inflicting defeats on the enemy at the tactical level. There is little that the national army can do to control the situation.

The economic crisis is advancing to the final disappearance of the government junta. The pressure that results from this increasingly critical situation is the source of a higher degree of anger among the Salvadoran people. (?Movements) of total and violent insurgency are about to take place in this country. Faced with this insurmountable situation, the oligarchy, the fascist military command, the junta and U.S. imperialism are trying to speed up intervention against our people. The alleged attack by revolutionary forces on military positions in La Union port is the beginning of a new maneuver by which they hope to justify this intervention. This is one more piece of evidence that our fatherland is threatened with massive intervention by the Reagan administration, in which they seek to give a military solution to the socioeconomic problems in El Salvador.

Gentlemen, at this moment, our fatherland is calling on us to oppose this threat. We cannot continue to permit our nation to be trampled upon. We must enforce respect for our sovereignty and our right to self-determination. All the social sectors in our country have been struggling and will continue to struggle against the oligarchy, the fascist military command and the present military-Christian Democratic junta.

Officers: What do you expect to come of your participation in an army that promotes a policy of genocide against the people? There is no way to justify that participation in terms of order, justice, freedom and fatherland when one is practicing genocide. It is not possible to propose a struggle against foreign intervention when materiel, tactics and strategic guidelines are defined by a U.S. military command. It is not possible to talk of fighting against foreign intervention when one has a government that, in order to justify its policy of terror and slaughter, claims that democracy is being defended here and that the country is facing a foreign threat and therefore needs the support of a foreign power.

It is not possible to seriously consider such a ridiculous argument when you officers, more than anyone else, realize that the leaders and fighters of the FMLN are humble men and women who have acquired their experience through many years of struggle and sacrifice. [words indistinct] because all our fallen companeros--leaders, fighters and (?partners)--have been Salvadorans. It cannot be argued that the democratic freedoms and rights of all are being defended by carrying out a series of actions that leave women raped and youths decapitated with their bodies left near this homes, when entire towns are massacred irrationally, when armed aircraft commit destruction and when there is direct fire and destruction.

It cannot be argued that these are refutable charges. Tragic, shameful acts have been committed by members of the national army, such as the massacre at El Junquillo, led by Capt Napoleon Medina Garay. The most serious aspect of this is the [word indistinct] of that captain, (?which shows) that it is a policy clearly supported by the fascist military high command, the military-Christian Democratic junta and the imperialist Government of the United States. That genocidal policy is premeditated, and you are the instrument of it.

Let us ask ourselves: Who is winning the war? We cannot interpret this internal war in our country as a simple problem. It is an entire socioeconomic and political spectrum. It is a case of a people who are seeking to destroy unjust structures, of the political problem of a junta that is trying to maintain the privileges that must be abolished for our people to achieve the peace, justice and freedom that have been denied them by over 50 years of dictatorship. Let us remember that in the national sphere our struggle was advancing enormously through nonmilitary forms of expression--elections, street demonstrations, political strikes, protests--and that all this came to an end. It was brought to an end, gentlemen, if you remember, by the personnel carriers, the jeeps, the .50-cal emplaced machineguns, the gun butts and the bullets fired by the National Guard, the Treasury Police, and later also by the national army.

An attempt was made to demoralize our people and disband their revolutionary and democratic forces. Thus our beloved Monsignor Romero and our Companero Felix Antonio Ulloa, member of the FDR national council and rector of the National University, were killed. Not satisfied with this, they later tried to demoralize the people's glorious movement of democratic and revolutionary unity and barbarously killed six members of the FDR executive committee.

Gentlemen, one must ask oneself: Have they managed to stop our people's libertarian struggle in this manner? [Words indistinct] of the armed forces can feel proud to say "we can win this war," because they have more and more powerful military materiel and more technical material. However, one cannot destroy a people with that. This is where the current problem lies; this is why this war cannot be won by either the oligarchy, the fascist high command, the junta or U.S. imperialism.

To the Reagan administration and its lackeys we repeat: If you intervene massively in our fatherland, under the pretext of any type of maneuver, you will be confronted by a people who have struggled for over 50 years against all despotic dictatorships and have [?foiled] all the maneuvers you have tried to implement in our country. Our people and their revolutionary forces will fight with their morale high to defend their sovereignty and self-determination and you will be completely defeated once again.

The democratic and revolutionary forces nourish and reproduce among the people themselves, while the military junta launches stronger offensives filled with hatred and the desire to destroy our people's struggle. It cannot be argued that this position is arrogant. I have not said here that the FMLN and the GDR have advanced the war to the point of annihilating the national army's strategic military bases. No. However, we can talk about the organization of mass production and about the existence of a revolutionary radio station that also disrupts the circle of (?dissemination) of completely distorted and instrumented news and information. All this has been mentioned, not for the purpose of creating contradictions but to elicit reflection.

The goal of every patriot should be to help achieve a truly democratic climate as well as understanding among all Salvadorans. We proposed the construction of a democratic and revolutionary government in which the small and medium-sized enterprises as well as the other sectors of the national economy fully participate. We also propose the organization of a new army in which all individuals, sectors or groups of the national army that participate do so with the conviction that the dictatorship, corruption and the fascist high command must be brought to an end in this country. They will do this jointly with the revolutionary forces that have been created during the Salvadoran people's process of struggle. The two sectors would participate without discrimination.

AFP CORRESPONDENT REPORTS CONTRACTION OF ECONOMY

PA101540 Paris AFP in Spanish 2328 GMT 2 Jul 81

[Report on Salvadoran Economy by Juan Nicolas Guadenzi, special AFP correspondent]

[Text] San Salvador, 2 Jul (AFP)--The Salvadoran economy has reached its lowest point since the downward trend began in 1979 and the contraction of the international coffee market (coffee is El Salvador's main export product) is threatening the success of official recovery plans, it was stated here today.

The Central Bank is facing a liquidity crisis, the flight of capital in the past 3 years has amounted to $2 billion; private investment is zero; and public investment in the first quarter of 1981 was 50 percent less than programmed.

In addition, imports during this year represent an outflow of $1 billion and exports have only supplied some $830 million, according to figures supplied by the Ministry of Planning.

In 1980, the gross national product was 10 percent less than in 1979, according to official estimates.

The government expects to control the contraction, which in the first quarter of this year has come close to 20 percent less than in 1979.

However, Planning Minister Atilio Vieytez told AFP this morning in 1981, economic shrinkage will be 2 percent as compared to 1980.

A reduction of the economic drop from 10 percent to 2 percent in a year would satisfy official economists, but the minister admitted that "the international coffee crisis was not included in our plans and makes the situation much more difficult."

El Salvador's private coffee producers have just stated emphatically that "if the coffee sector drops, the nation will sink" and, according to experts, this is not very far from the truth.

After having reached a value of $200 per hundredweight, coffee is now only quoted at $86. This drastic drop, in addition to the cuts made to El Salvador's coffee quota in the international market, intensifies the controversies between private producers and the state, which has been in charge of marketing the product abroad since 1979.

Following another revision of the quota, El Salvador can only place 2.7 million quintals of coffee on the international market. The current price of this quantity is $210 million, against $320 million obtained last year and $490 million in 1979. With an estimated production this year of around 3.6 million quintals and approximately 1 million left over from previous harvests, the nation is facing the problem of where to place the surplus in order to improve its commercial balance.

Despite its violent attacks against the USSR and the nations in transition toward socialism, the Salvadoran Government is considering the possibility of placing this surplus coffee "in the Soviet bloc" and in Japan, the minister of planning told this special correspondent.

El Salvador's total exports during 1981 will bring in $830 million in revenues, but during that period, the country will have to import goods worth $1 billion. The import of luxury items has practically stopped now, but in order to function normally, the national productive apparatus requires raw materials and foreign supplies that are becoming increasingly hard to buy due to higher costs and the lack of currency.

The problem of the Central Bank of El Salvador "is one of shortage of net international reserves," Vieytez explained after saying that the state has sufficient gross reserves in the form of gold and special drawing rights.

In order to confront the difficult situation posed by the external sector of the economy, the Salvadoran Government hopes to obtain $460 million in loans from the IMF in the next 3 years. It has also requested financial aid from the World Bank and has already received $140 million in U.S. aid for this year as well as an additional $80 million from the oil aid program for Central American and Caribbean countries, which both Mexico and Venezuela agreed upon.

It has also been learned unofficially that the cost of an economic reactivation program to curb the decline of the gross national product, that is, to achieve a level of zero growth in the production of goods and services as compared to the previous year, has been estimated by official economists at $260 million.

The Planning Ministry hopes this situation will occur toward the end of this year and places its hope on the behavior of three sectors, basically, the agricultural sector, the area of private construction and public projects and the industrial sector. In 1980, the agricultural sector registered an 11-percent decline as compared to the previous year. It is expected that in 1981 this figure will be reduced to 1.8 percent.

The government is also predicting that the construction and public projects industry will go from a 25-percent decline last year to a 32-percent growth this year, thanks to a firm credit policy aimed at promoting the national housing system.

Finally, the state hopes to maintain the industrial sector, which according to the official figures registered a 17-percent decline in 1980, at the same level during 1981.

However, the increasing deterioration of the internal market, the reduction of exports, the higher prices of the raw materials and the lack of currency to buy them abroad, are some of the major factors that lead to the prediction that there will be a new 4-percent decline as compared to 1980.

DUARTE ANALYSIS OF ECONOMY CALLED 'SUPERFICIAL'

PA111925 San Salvador LA PRENSA GRAFICA in Spanish 10 Jul 81 pp 3, 39

[Excerpt] In recent visits to newspaper directors in this capital, Jose Napoleon Duarte, president of the revolutionary government junta, talked about several national problems. The Salvadoran people have been somewhat amazed by what he said about the country's economic crisis, which is seriously affecting every sector of our population. According to sources which express the views of private sectors, Duarte's statements were narrow-minded and his analysis of the country's situation was very superficial.

According to Duarte, the same sources added, our economic problems cannot be controlled because they depend on the fluctuations that our main products--coffee, cotton and sugar--are subjected to in the international market. Such an argument is only half true. In other words, we cannot blame international market fluctuations for being the only cause of our economic crisis.

Such an argument only seeks to distract the people's attention from the real causes which are eroding the Salvadoran economy. By doing this, the Christian Democratic government is trying to evade its responsibility for the present chaos, which is the result of a badly formulated and implemented economic policy.

GUATEMALA

MILITARY USES TANKS IN CAPITAL CITY CLASHES

PA122017 Panama City ACAN in Spanish 1441 GMT 11 Jul 81

[Excerpt] Guatemala City, 11 Jul (ACAN-EFE)--The Guatemalan press carries reports of a military operation that even included the use of tanks on the streets in violent gunbattles which in the past few days succeeded in dismantling two guerrilla redoubts in this capital and killing 25 rebels.

ACAN-EFE reported late on Friday night that the encirclement of an antigovernment redoubt located in El Carmen district in the south of the capital had ended. Eleven guerrillas were killed.

The previous day, a similar operation was carried out in another district of this capital, Vista Hermosa, which resulted in the death of 15 guerrillas, including 4 women. One army casualty was reported.

For 2 days, combined army and security force troops fought against the entrenched guerrillas and there was heavy shooting by both sides for several hours.

Reporters said they had seen six army tanks in the area of the incidents during the first operation and a troop carrier and two assault vehicles during the second skirmish, which occurred near several schools from which all the children were evacuated without problem.

All the combat zones were closed to traffic and only a few persons crossed the lines of fire to reach their children.

A spokesman of the armed forces reported that two guerrilla "general headquarters" which intended to "sow panic among the people" had been destroyed.

The source added that rifles, detonators, Russian grenades, 100 sticks of dynamite and submachineguns, in addition to a large amount of homemade explosive devices were found in the hideouts.

Leftwing Groups 'Controlled'

PA120415 Panama City ACAN in Spanish 2124 GMT 11 Jul 81

[Text] Guatemala City, 11 Jul (ACAN-EFE)--Guatemalan Defense Minister Gen Anibal Guevara declared today that the army has "controlled" the leftwing groups which operate in this country.

"We have the subversive forces that operate in the capital and in the interior under control," the military chief stated.

Combined army and police forces dismantled two guerrilla camps during the past 2 days in the Guatemalan capital, killing in combat 30 guerrillas purportedly belonging to the Armed People's Revolutionary Organization (ORPA).

With the support of armored and assault vehicles, the government forces dismantled on Thursday and Friday two guerrilla redoubts which were operating in a residence in the Vista Hermosa colony in the east metropolitan sector and El Carmen in the southern part near the university premises.

In the first clash 14 guerrillas, including four women, were killed, while the death of 16 rebels, 5 women and 11 men, was officially reported last night.

The National Defense Ministry reported that in the first guerrilla center a "bomb factory" operated, while in the second redoubt uncovered yesterday there was a "warehouse for military materiel, a hospital and a training camp."

The government report indicates that the security forces ordered the guerrillas to surrender, but that they responded "with heavy fire including that of high-caliber weapons."

The military sources added that "a large quantity of arms were seized, including a 57-mm recoilless rifle, .50-caliber submachine, .60-caliber mortars, MAG 7.62 machineguns, AR-15 rifles, M-1 and M-2 carbines, Soviet-made grenades, rifles of various calibers, 45-caliber and 9-mm submachineguns, Chinese grenade launchers with their grenades, boxes of ammunition of various calibers, various medicines, stationary and pamphlets with subversive propaganda."

ARMY READY TO DEFEND COUNTRY'S SOVEREIGNTY

PA110028 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 10 Jul 81

[Text] Col Jaime Rabanales Urena, chief of public relations for the army, last night said that the army is duly prepared to and capable of defending the country's sovereignty and territorial integrity as well as the institutional interests of the Guatemalans. He was commenting on dispatches saying that Eden Pastora, the so-called Commander Cero, would reportedly go to Guatemala or El Salvador to join the guerrillas.

He said: I wouldn't be surprised if the opposition groups went the extreme of accepting Eden Pastora as a guerrilla commander, although he said he didn't think this probable.

DEFENSE MINISTER ON LEFTIST CHARGES, CANDIDACY

PA112156 Guatemala City PRENSA LIBRE in Spanish 2 Jul 81 p 14

[Text] The international leftist organizations conducting the campaign to discredit Guatemala are taking advantage of the good faith of many people and institutions which protest developments they don't know about, Gen Angel Anibal Guevara, the national defense minister, told newsmen who approached him at the national congress yesterday.

We recently had evidence of this, he added, with the visit of a U.S. congressman who said he had signed a letter so that military aid would be given to a country, yet he didn't know the country and didn't know if the charges against Guatemala were true.

This is due to the good connections among the international leftist organizations, which act in a united manner. This is why we must intensify the campaigns in favor of Guatemala, so the country's reality can become known. One charge is that all of us military officers have stolen all the land in our country. That is both absurd and false. All Guatemalans know that. The state, he said, is countering the propaganda to dispel the false charges. The thing is that certain stubborn individuals and institutions have continued attacking Guatemala. These are international leftist organizations.

Candidacy

[Question] What about your candidacy for president, general?

[Answer] I am the national defense minister and a military officer in inactive service. So there is nothing to that at this point. Before accepting the candidacy to a post of popular election, I would have to resign from my post and ask for my discharge from the army.

[Question] What is your view on the political leaders of a number of municipalities throughout the country and civic committees who have publicly asked that you be designated candidate to the Presidency?

[Answer] I appreciate the trust placed in me by both the people and the directors of the local organizations.

[Question] Why is it that of late you have been visiting a number of places in the interior to preside over public events?

[Answer] We have been carrying out that type of activity because many municipalities have been staging demonstrations in support of the national government. When inaugurations occur in such places, it is worthwhile for the defense minister to go and express his gratitude for the support given to the army. It is an official activity. It has nothing to do with the rumors about my presidential candidacy.

[Question] How were the activities scheduled on the occasion of Army Day?

[Answer] The events were held peacefully and in the manner planned.

We said goodbye because the president of the republic was arriving in congress at that point and the protocol activities were about to begin.

HONDURAS

PAPER REPORTS 'ARMED CLASH' WITH NICARAGUA

PA131634 Panama City ACAN in Spanish 1534 GMT 13 Jul 81

[Text] Tegucigalpa, 13 Jul (ACAN-EFE)--Honduran troops inflicted casualties on Nicaraguan troops Friday during an armed clash at the border that lasted several hours, the Honduran newspaper LA PRENSA reports today. According to the newspaper, this information was provided by several peasants in San Benito, 60 km from Choluteca, capital of Choluteca Department, on the border with Nicaragua.

LA PRENSA reports that, according to the peasants, the confrontation began at 2200 on Friday and concluded early Saturday morning. Nicaragua reportedly had several casualties and two Honduran soldiers were injured. The newspaper does not specify the number of Nicaraguan casualties, and it also notes that it has not been confirmed whether injured soldiers have been hospitalized in southern Honduras.

Nonetheless, the paper reports that an officer in the 11th Infantry Battalion, to which the troops that allegedly fought the Nicaraguans belong, confirmed the clash and said that a Honduran soldier had been injured. According to the paper, it had been impossible to locate Col Daniel Bali Castillo, commander of the 11th Infantry Battalion.

This agency consulted the Armed Forces' Public Relations Office, but the person in charge, Maj Julio Armando Pavon Rodriguez, is taking a special course and his assistant, Capt Carlos Roberto Acosta, has been sent on a mission outside the city. The high command has not provided any information to lower-rank personnel.

Meanwhile, Guillermo Suarez Rivas, the Nicaraguan ambassador in Tegucigalpa, explained that he had returned to Tegucigalpa from Managua by land using the customs post at Guasaule, in Choluteca Department, and that everything had been normal. He added that he had heard nothing about this confrontation while in Managua.

AUTHORITIES DISCOVER NEW LEFTIST GUERRILLA GROUP

PA032245 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 3 Jul 81

[Summary] The National Investigation Department has discovered a guerrilla group and the laboratory where they manufacture their bombs, located in the Miraflores housing district, in this capital. Jose Antonio Montalvan Munguia, Santos Tejada Hinestroza and Jose Alberto Munguia Velez, who claim to be members of the People's Guerrilla Command [Commando Guerrillero del Pueblo] have been charged with the recent kidnapping of Ronald McBrown, which the police had been investigating.

"According to Munguia, the People's Guerrilla Command was organized on 1 April following the meeting of a group of youths near a wall outside the National Autonomous University of Honduras. Its leaders were high shcool student Eddy Salomon Vasquez Corrales, already deceased; university student Santos Tejada Hinestroza; Jose Alberto Munguia Velez; and Jose Antonio Montalvan Munguia in addition to a group of youths whose names have not been disclosed but whom the police are searching for following the statements made by those detained.

"Those detained told the authorities that the organization is infiltrated by several Nicaraguan people and students who were in charge of giving instructions concerning the kidnappings that were to take place. They also provided Marxist material for the indoctrination of the members and explained the best ways to launch subversion in the country. The members of the command easily assimilated this information because they sympathize with the leftist ideology."

According to police, the guerrillas had plans to kidnap several government officials.

Of those detained, Santos Tejada Hinestroza was killed by the authorities when he tried to escape while showing them the site of an alleged arms cache.

Police found two powerful bombs in the Miraflores Laboratory.

AMNESTY DELEGATION CRITICIZES REGIME ON RIGHTS

PA072200 Managua Radio Sandino in Spanish 1200 GMT 7 Jul 81

[Text] Tegucigalpa--An Amnesty International delegation that recently visited Honduras to gain the release of 12 Salvadorans held prisoner in that country presumes that the Salvadorans have been turned over to Salvadoran military-Christian Democratic junta.

The investigating commission, made up of prominent dignitaries, said on leaving Honduran territory on Sunday that Honduras has now assumed a prominent place on the list of Latin American countries in which human rights are not respected. (Nancy Goldman), one of the members of the delegation of Amnesty International, which is based in London, added that from now on, international pressure will be stepped up against the Honduran Government headed by Gen Policarpo Paz Garcia.

AUTHORITIES ARREST JESUIT STUDENTS AT AIRPORT

PA140053 Tegucigalpa La Voz de Honduras Network in Spanish 1145 GMT 13 Jul 81

[Communique issued by the Jesuit order in Honduras, date not given]

[Text] On Friday, 10 July, five Jesuit students were travelling from Managua to Mexico where they are studying to become priests. They made a stopover in Honduras to change flights to go to Mexico. At approximately 0900 they were arrested at Toncontin Airport under unknown circumstances.

Later, the television newscast "Today" (Hoy Mismo), produced by newswoman Mayra Navarro, reported that the five youths were arrested for allegedly trying to bring weapons and subversive material into the country. Saturday's issue of EL HERALDO reported the same thing.

The arrested youths are Eugenio Incer of Nicaragua, Sergio Inestroza and Juan Jose Ramirez of El Salvador, and Jose Antonio Pacheco and Danilo Santinelli of Guatemala.

In view of these incidents, the Honduran Jesuit order states the following:

The aforementioned students are peaceful people and had no weapons when they boarded the plane at the Managua airport. Their baggage was duly checked at Augusto Desar Sandino Airport and no weapons were found.

The arrest of persons in transit for any kind of literature they may have violates the rules of coexistence and international law. Their arrest without a warrant and their detention incommunicado for more than 24 hours violate articles of the 1965 constitution which is supposedly in effect.

For these reasons, we urge the Honduran authorities to release them or at least to let the Jesuit authorities see them. We also ask the authorities to allow these students to continue their trip to Mexico where they must attend school and not to deport them to their countries of origin accusing them of subversion because such action would endanger their security. Let the authorities restore the credibility and prestige of innocent people whose rights have been violated.

We deeply deplore that such incidents jeopardize Honduras' prestige regarding human rights. We pray to God so that we may always seek solutions to our conflicts through dialogue in our country, Honduras.

[Signed] **Juan** (Willimerin)
Father Superior of the Honduran Jesuit Order

Jesuit Students Released

PA140054 Paris AFP in Spanish 1829 GMT 13 Jul 81

[Excerpts] San Salvador, 13 Jul (AFP)--Four Jesuit students who were arrested in Honduras on Friday were released and sent to Mexico this morning. However, Cesar Jerez, regional father superior for the Jesuits in Central America, told AFP that he is afraid that the students will again be arrested upon their arrival in Mexico City.

Jerez explained that five persons were arrested in Tegucigalpa but that only four of them were Jesuit students. He added that he did not know the identity of the fifth person or what had happened to him.

The four youths were identified as Sergio Inestroza, a 23-year-old Salvadoran; Juan Jose Ramirez, also Salvadoran and of the same age; Eugenio Incer, a 22-year-old Nicaraguan and Jose Antonio Pacheco, a 20-year-old Guatemalan. They were all students, not priests, and were arrested in Tegucigalpa as they were en route to Mexico, as it was initially reported.

In a statement to AFP today, Jerez criticized a Voice of America report on the incident describing the report "biased," because it said that the students were carrying weapons.

"As regional father superior of the Jesuits of Central America and Panama I reject as a slander and a lie the assertion that these youths were carrying weapons," Jerez emphasized.

And he asked: "Weapons in an airport? Weapons from Nicaragua to Mexico? What is the basis for these claims?"

In conclusion, Jerez reported that he had just received word that the students had been released this morning and that they had allegedly boarded a Honduran Airline flight to Mexico.

ATTORNEY GENERAL FINES TEXACO FOR VIOLATION

PA092258 Tegucigalpa Voz de Honduras in Spanish 1812 GMT 9 Jul 81

[Sercano Network]

[Text] A fine of 42,000 lempiras will be imposed on the Texaco refinery for overloading a tank truck as registered in the weighing station of the highway department on the road to the north. Attorney General Serapio Hernandez reported that attempts have been made in the past to fine the transnational company for the same violation. The company has to follow the laws of the country. If it doesn't pay, the official added, its property or bank accounts will be impounded so that the fine will be paid. The legal actions are being carried out in San Pedro Sula by lawyers of the attorney general's office and the supreme court. Efforts are being made to speed up the process to enforce the country's laws.

The attorney general said that in view of the big profits that the company obtains daily from the sale of fuel, the fine is nothing compared to its capital.

NICARAGUA

MODERATOR SAYS NO CONCURRENCES AT 11 JULY FORUM

PA112336 Managua Radio Sandino in Spanish 2156 GMT 11 Jul 81

[Interview with Julian Corrales, moderator of forum of discussion of national problems, at end of 11 July afternoon session of forum in Planning Ministry auditorium in Managua--live]

[Text] [Question] What can you say about today's discussions? Was there some progress on the discussion of press freedom? Do you think that real conclusions can be achieved in the next session?

[Answer] The desire of the delegations is obviously to achieve concurrences as a result of the debates which will benefit the Nicaraguan people. Of course, the fact that no concurrences were achieved today does not mean that the discussions don't seek to achieve those concurrences. On the contrary, from the various statements it can be seen that there is the beginning of some agreement in the area dealing with press freedom. However, that was not really the subject of the debate since the subject specifically referred to political freedoms. In this sense, this subject is still pending for the next session of the forum.

We must indicate that during the first days of the forum, we did not point out the concurrences. Then 1 week ago, 19 points of concurrence were signed. These included everything that had been discussed earlier. Therefore, each time one session ends, one should not be concerned and expect the signing of points of concurrence in the very next session.

TWO COOPERATION AGREEMENTS SIGNED WITH USSR

PA101706 Managua Radio Sandino in Spanish 1200 GMT 10 Jul 81

[Text] The USSR and Nicaragua have signed two cooperation agreements at the USSR State Committee for Foreign Economic Relations in Moscow.

According to press dispatches we have received, one of the agreements involves the training of Nicaraguan cadres. The agreement provides for the creation of three technical-professional teaching centers: The first will train people in the polytechnic field, the second will cover the energy field, and the third will train people in how to handle agricultural machinery.

It was also pointed out that as part of this agreement the National Autonomous University of Nicaragua will receive equipment and laboratories for its various schools from the USSR.

The second agreement involves communications, and according to this agreement the USSR will also train workers for the transportation sector.

A Nicaraguan delegation of members of the Christian churches headed by Protestant minister Sixto Humberto Ulloa was present at the signing ceremony. Ulloa told the Soviet newsmen that assertions that religious believers are persecuted in the USSR are lies spread by the bourgeois propagandists. It was mentioned that the Nicaraguan delegation has visited Czechoslovakia, Hungary and Bulgaria.

During the press conference, the Nicaraguan Christians thanked the USSR Orthodox Church for the invitation to visit their country and expressed their conviction that communists and Christians can work together to benefit the people.

LABOR OFFICIAL HAILS CST'S AFFILIATION WITH WFTU

PA130341 Managua International Service in Spanish 0030 GMT 13 Jul 81

[Excerpt] The affiliation of the Sandinist Workers Federation [CST] with the WFTU on 1 June was one of the basic achievements of the Nicaraguan working class in 24 months of revolution. This statement was made by Dennis Melendez, CST assistant secretary, who recently went to Czechoslovakia to register the CST, which has a membership of over 200,000 workers from all over Nicaragua.

The labor leader stated that the WFTU represents the interests of millions of workers worldwide and that since its foundation in 1945, it has struggled against fascism, exploitation and colonialism and has worked for the development and self-determination of peoples.

When the CST was formed on 26 July 1979 there were no plans for it to join the WFTU. However, at this point, its affiliation with the WFTU is part of the development of the working class, Melendez said.

COSEP DEFENSE OF FRANK BENDANA CRITICIZED

PA081556 Managua Radio Sandino in Spanish 0300 GMT 8 Jul 81

[Unattributed commentary]

[Text] The leaders of the Higher Council of Private Enterprise [COSEP], the organization of Nicaraguan businessmen opposed to the revolution, today issued a communique to protest what they describe as the expulsion of Frank Bendana, president of the Nicaraguan Coffee-growers' Union. They claim the revolution has once again committed an act of injustice on the basis of slander, for which Bendana had said he would file suit in the common courts.

The gentlemen members of the COSEP also feel that perhaps the most qualified professional Nicaraguan has been expelled from the country and that the deportation of Bendana further harms the country's economy and image.

What business leaders deliberately fail to mention is the fact that Bendana was not born of Nicaraguan parents and that, therefore, by retaining his U.S. citizenship and not opting for Nicaraguan citizenship, he was nothing but a foreigner who was taking advantage of his citizenship to meddle, one way or the other, in our domestic affairs.

Their bid to deceive the Nicaraguan people has failed because our people have already developed a revolutionary conscience.

SUGAR MILL WORKERS REPORT COMPANY DEPLETION

PA091649 Managua Radio Sandino in Spanish 0300 GMT 9 Jul 81

[Text] Hundreds of workers of the Ronald Altamirano Union of the San Antonio Sugar Mill went to the State Council today to denounce the capital depletion maneuvers of the owner of the enterprise.

With facts and figures, the workers explained to the State Council the mechanisms that the management has been using to stop production. The workers demanded a thorough investigation to determine the company's responsibility and harsh measures against all those who attack the country's economy.

The workers noted that the 1980-81 sugar cane harvest has been one of the worst in the past 5 years due to the negligence of the administrator in preparing the land, effective maintenance of machinery, and purchase of spare parts to repair equipment needed for production. The workers also denounced the noncompliance of certain stipulations in the labor contract regarding an improvement in housing, health, sanitary conditions and social and labor security.

Commander of the Revolution Carlos Nunez spoke on behalf of the State Council to answer to the workers' demands: The phenomenom of capital depletion is appearing in the country and the workers must denounce this situation so that the revolutionary authorities can investigate and punish those responsible. The board of directors of the State Council has taken note of your concerns. This report is a clear demonstration that the workers are basing their demands on facts and figures, he said.

The time has come, Nunez said, to punish the crimes that provoke the capital depletion of firms and farms because this not only damages the country's economy but also affects the working class.

The revolutionary institutions will know how to meet the demands of the working and peasant classes of the country, he concluded.

BRIEFS

AMBASSADOR APPROVED--Nicaraguan Foreign Minister Miguel d'Escoto Brockman today announced that the revolutionary government has granted its approval of the new Honduran ambassador, Col Roberto Perdomo Paredes. [Managua Radio Sandino in Spanish 0300 GMT 11 Jul 81 PA]

STUDENT UNION GOALS--Statutes approved by the Eighth Congress of the National Students Union included: increasing patriotism and student willingness to defend the people's achievements and the revolution. The congress approved a new official name for the students' union: the Heroes and Martyrs of July National Union of Students. [Managua Radio Sandino in Spanish 1200 GMT 3 Jul 81 PA]